

Springerville Town Council
Special Meeting
Minutes
July 18, 2007

Present: Mary Nedrow Vice Mayor, Eric Baca, Pete Hunt and Phelps Wilkins

Excused: Kay Dyson, Mayor

Staff: Scott Garms Town Manager, Val Cordova Town Clerk, Shaffery & Coronado, P.C.,
Karen Asquith CFO, Larisa Bogardus, Linda Matthews, Max Sadler, Steve West, Tom
Malone

Public: None:

1. The meeting was called to order by Vice Mayor Nedrow at 6:18 p.m.
2. Town of Springerville FY 07/08 Budget:

Ms. Asquith explained that she is not presenting a tentative budget tonight but a gathering of numbers in order to put together a general fund budget for this year. Work has begun on each of the individual funds but there have been a number of challenges in trying to understand how to budget for the town that captures everything. Tonight is an incomplete piece until all of the other funds have been determined. The impact of the other funds has been significant on the general fund over the years.

She presented the council departmental expenditures which she did different this year. She set up a general government fund department where they will aggregate expenditures i.e. League dues, certain consultant fees, audit and fees that are not particularly allocable to a particular department. In the next few years this will be moved into a cost allocation so the costs go back out to the departments for a full costing for departmental expenditures. This will be the same for insurance, service contracts for cleaning and trash services.

She advised the council that they are projecting transferring funds to support the other department's i.e. senior center, airport, sewer and Hurf and will have numbers in place at the next budget session. The total expenditures this year are slightly above last year but presently didn't have an actual percentage due to changes that are occurring daily. She estimated that the town is running at four percent projected revenue and a six percent projected expenditure.

Mr. Garms noted that the department budgets are close to last years. There were several requests but the budgets have been kept fairly flat this year.

Ms. Asquith explained that she pulled out all of the capital and grant match money to get a stable operating budget for each department. She reiterated this only shows department operations only.

She explained that we've never had a line item for expenditures. They haven't been structured revenue wise to sustain themselves. Its revenue minus expenses and the expenditures have exceeded the revenue for a number of years with the pull from the general fund. We can't budget money we don't have so we budget an amount projected for transfer. We need to stipulate that we are projecting a transfer of X number of dollars to cover requests for subsidies from other funds. In explaining contingency funds she noted that we are essentially taking money out of reserves. A contingency fund is for unexpected expenses for emergencies that are unbudgeted, not for things that we forgot to budget.

She further explained that each year that we have to pull money from the general fund it becomes debt that we will have to pay back. We are going to look at ways to increase revenues and will look at cap fees tonight. We need to look at generating revenue not just water and sewer fees

and maybe look at bridge solutions stating that we need to have reserves to repair and replacement equipment.

She restated that what she is presenting tonight is only what it will take to operate each department based on actual previous expenses.

She apologized for not being further along that she thought she would be. There are many unexpected items that surface each day and stated that she would not have another budget session until she has actual numbers to present.

She advocated that we not look at each fund separately but as the town. In most cities the enterprise funds are run like a business. They pay for equipment replacement, accounting and administrative services called cost allocations. Instead of money going out of tax dollars to support a fee oriented business, the business oriented contribute to general funds. The fee structure is such that the utility fund helps support the general fund and pay for services.

Councilman Baca stated that he is not interested in what happened through the years but what they can do to fix the problem and not be in the same situation in three years.

Pete Hunt/Eric Baca motion to adjourn the meeting at 6:00 p.m.

Vote:	Ayes:	Mary Nedrow
		Eric Baca
		Pete Hunt
		Phelps Wilkins

Mary Nedrow, Vice Mayor

ATTEST:

Town Clerk

I hereby certify that the foregoing is a true and correct copy of the minutes of the Springerville Town Council in a special budget meeting on Wednesday July 18, 2007. I further certify that the meeting was duly called and a quorum was present.

Dated this 23rd day of July 2007

Town Clerk